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Message Text

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44
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

COME-00 EB-07 LAB-04 SIL-01 OMB-01 DOTE-00 HEW-06

/088 W
---------- 015895
R 081505Z NOV 76
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 1590

UNCLAS OTTAWA 4446

POUCHED INFO ALL CONGENS IN CANADA

E.O. 11652: N/A
TAGS: ELAB, CA
SUBJ: UAW SETTLEMENTS WITH FORD AND CHRYSLER

REF: OTTAWA 4405

1. AS ANTICIPATED BY UAW CANADIAN VICE PRESIDENT MCDERMOTT (SEE REFTEL) TENTATIVE AGREEMENT WITH FORD WAS REACHED LATE NOVEMBER 4 ENDING STRIKE BEGUN AFTER EXPIRATION OF DEADLINE ON NOVEMBER 2. LOCAL UNIONS RATIFIED AGREEMENT PATTERNED AFTER U.S. CONTRACT OVER WEEKEND. FULL PRODUCTION TO RESUME TODAY (NOV. 8). HOURLY WAGE RATES FOR ASSEMBLY LINE WORKERS WILL INCREASE FROM $6.88 TO $7.30 IN THIRD YEAR OF CONTRACT. UAW ESTIMATES AN ADDITIONAL $1.03 IN COLA DURING LIFE OF CONTRACT BASED ON PROJECTED 6 PERCENT AVERAGE ANNUAL RISE IN COMBINED US-CANADIAN CPI. IN TERMS OF WAGES AND FRINGE BENEFITS AUTOWORKERS WILL BE AMONG HIGHEST PAID BLUE COLLAR WORKERS EXCEPT FOR CONSTRUCTION INDUSTRY. UAW CANADA VIEWS THE ADDITIONAL 13 DAYS OFF WITH PAY BY THIRD YEAR OF AGREEMENT AS INCREASED LEISURE TIME RATHER THAN GREATER JOB SECURITY AND INCREASED EMPLOYMENT OPPORTUNITIES AS EMPHASIZED IN U.S. LESSER IMPACT OF
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AUTO INDUSTRIES' PRODUCTION CUTBACKS IN 1974-75 ON

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CANADIAN EMPLOYEES PLUS GENEROUS UNEMPLOYMENT INSURANCE BENEFITS ARE LIKELY REASONS FOR LESSER EMPHASIS ON EMPLOYMENT SECURITY. KENNETH HALLSWORTH, FORD'S VICE PRESIDENT FOR INDUSTRIAL RELATIONS, WAS QUOTED AS SAYING THAT COST INCREASE OF THE COMPENSATION PACKAGE FOR FIRST YEAR APPEARS TO BE WITHIN 10.7 PERCENT ARITHMETIC GUIDE-LINE UNDER ANTI-INFLATION PROGRAM. BOTH MANAGEMENT AND UNION EXPECT AIB APPROVAL OF CONTRACT.

2. TENATIVE AGREEMENT ON MASTER CONTRACT REACHED NOV. 5 BY CHRYSLER AND UAW IN U.S. WILL COVER CANADA AS WELL. SOME 4,000 CHRYSLER WORKERS AT WINDSOR WALKED OFF THE JOB EARLY NOV. 5 IN APPARENT ANTICIPATION OF NEGOTIATION DEADLOCK BY 6 P.M. STRIKE DEADLINE. LOCAL ISSUES NEED STILL TO BE RESOLVED PRIOR TO CONTRACT RATIFICATION. ENDERS

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